

SOUTH DAKOTA ALTERNATIVE FUEL VEHICLE INCENTIVES AND LAWS

Overview

Other than reduced fuel tax for alternative fuels, the State of South Dakota does not offer any incentives for alternative fuel vehicles (AFVs). Montana-Dakota Utilities Co. offers a 10% credit, up to \$500 for the purchase of AFVs.

Highlights

\$ Up to \$500 from Montana-Dakota Utilities Co. for a 10% credit on the incremental cost of purchasing the natural gas option on an original equipment manufacturer (OEM) vehicle

State Incentives

South Dakota does not have any incentives for AFVs. For more information, contact Dale Knapp at the Governor's Office of Economic Development, at (605) 773-5032.

Utility/Private Incentives

\$ **Montana-Dakota Utilities Co.** provides a 10% credit on the incremental cost of purchasing the natural gas option on an OEM vehicle, up to \$500. Montana-Dakota Utilities Co. also offers incentives for conversions to compressed natural gas (CNG) on a case-by-case basis. Two subsidiaries of Montana-Dakota Utilities Co. offer incentives for conversions to liquefied petroleum gas, on a case-by-case basis. Montana-Dakota Utilities Co. operates 3 CNG refueling stations in South Dakota. Contact Bruce Nelson at (701) 222-7784 for additional information.

The National Ethanol Vehicle Coalition (NEVC) is part of a joint public/private partnership to promote 85% ethanol (E85) as an alternative transportation fuel. Through a pilot grant from the U.S. Department of Energy, NEVC provides forgivable loans for the installation of public E85 refueling facilities. For additional information, contact Phil Lambert at (314) 635-8445.

Laws & Regulations

Senate Bill (SB) 241 (1993) was enacted to define certain alternative fuels and provide for the taxation of alternative fuels.

Public Law 93-104 removed the sales tax on labor and equipment and abated the property tax for fueling stations of CNG and ethanol.

Property used for storing and dispensing alternative fuels is exempt from the ad valorem tax.

Conversion services and equipment are exempt from the sales and service tax.

Alternative fuels are taxed at 6¢/gallon.

A 2¢/gallon excise tax exemption is available for 10% ethanol blends (E10) sold in the state.

The state requires that its fleet vehicles be fueled with E10 whenever practical.

SB 260 increased funding for the Ethanol Fund from \$167,000 to \$208,677. The Ethanol Fund provides the 20¢/gallon production incentive for fuel ethanol produced in the state.

In 1990, the legislature adopted a resolution to encourage the Federal Government to develop and expand the use of alternative fuels.

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Points of Contact

South Dakota State Energy Office

Governor's Office of Economic Development

Energy Policy

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National Ethanol Vehicle Coalition

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South Dakota State Transportation Contact

Department of Transportation

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U.S. Department of Energy

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